

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

GREGG CHARLES LORENZO

CRD # 4525167

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SUMMARY REVOCATION
ORDER AND
ASSESSMENT OF CIVIL
MONEY PENALTIES

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities (“Bureau”) by the Uniform Securities Law, as amended, L. 1997, c. 276 N.J.S.A. 49:3-47 et seq., (“Law”), more particularly, N.J.S.A. 49:3-58, and after careful review of the relevant facts and due consideration of Hearing Panel Decisions, Expedited Proceeding No. FPI130001 on June 18, 2013 and the Disciplinary Proceeding No. 20120321124-01 on September 27, 2013, by the Financial Industry Regulatory Authority (“FINRA”), and the Order Making Findings and Imposing Remedial Sanctions and a Cease-And-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b), 21B, and 21C of the Securities Exchange Act of 1934 as to Respondents Gregg C. Lorenzo and Charles Vista, LLC, Administrative Proceeding File No. 3-15211 on November 20, 2013 (“SEC Order”), by the Securities and Exchange Commission (“SEC”), the Bureau Chief has determined that the agent registration of Gregg Charles Lorenzo shall be **REVOKED** for the reasons that follow:

1. Gregg Charles Lorenzo (“Lorenzo”), residing in Staten Island, New York, has been registered with the Bureau as an agent since January 8, 2003 with various firms.
2. Lorenzo was most recently registered with the Bureau as an agent of Charles Vista LLC (“Charles Vista”) (CRD # 132650) since April 29, 2009.

Charles Vista was registered with the Bureau as a broker-dealer from December 8, 2004 through June 24, 2013. Charles Vista maintained a primary business address in Staten Island, New York.

THE SEC ORDER

3. On February 27, 2012, the SEC served Lorenzo and Charles Vista with Wells Notices.

4. On February 14, 2013, the SEC instituted proceedings against Lorenzo and Charles Vista pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Sections 15(b), 21B, and 21C of the Exchange Act.

5. The SEC accepted Lorenzo and Charles Vista's Offer of Settlement (the "Offer"), admitting the subject matter of the SEC's proceedings and consented to the sanctions agreed to in the Offer.

6. On November 20, 2013, the SEC issued the SEC Order which contained findings of fact, including:

a. Lorenzo made false and misleading statements to numerous potential investors to (i) ameliorate concerns about the downside risks by misrepresenting financial conditions and business prospects; and (2) make a stock conversion feature appear valuable by making baseless predictions about future stock price and listings.

b. Lorenzo was involved in fraudulent and misleading emails summarizing key points of a debenture offering to investors to solicit investments in debentures.

7. The SEC found that Lorenzo and Charles Vista willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

8. The sanctions as to Lorenzo in the SEC Order included:

a. A cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

b. A bar from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;

c. A bar from participating in any offering of a penny stock including acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock;

d. A payment of disgorgement of \$130,000 and prejudgment interest of \$20,000 by Lorenzo and Charles Vista; and

e. A payment of a civil penalty of \$375,000 by Lorenzo.

FINRA BAR

9. As a result of the SEC's Wells Notice to Lorenzo, FINRA served Lorenzo with multiple Rule 8210 requests to appear for an on-the-record interview.

10. Lorenzo refused to appear in front of FINRA for an on-the-record interview.

11. On February 20, 2013, FINRA sent Lorenzo a Notice of Suspension pursuant to FINRA Rule 9552 for refusing to comply with multiple Rule 8210 requests to appear for an on-the-record interview.

12. At Lorenzo's request, on April 11, 2013, a FINRA Hearing Panel (the "June Hearing Panel") conducted a hearing regarding FINRA's Notice of Suspension.

13. On June 18, 2013, the June Hearing Panel barred Lorenzo from associating with any member firm in any capacity.

14. At Lorenzo's request, a second hearing was conducted on April 3, 2013.

15. On September 27, 2013, a FINRA Hearing Panel (the "September Hearing Panel"), again barred Lorenzo from associating with any member firm in any capacity and statutorily disqualified Lorenzo for the reasons that follow:

a. Lorenzo failed to disclose and amend his Form U4 after receiving a Wells Notice informing him that the SEC staff was considering recommending the institution of proceedings under the anti-fraud provisions of the federal securities laws against Lorenzo for making false representations to purchasers of a security. This conduct is in violation of Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010.

b. Lorenzo's failure to amend his Form U4 occurred concurrently with his pending continuing member application ("CMA") with FINRA. By making a conscious decision to delay the required disclosure, in hopes that he would obtain FINRA Staff approval of Lorenzo's pending CMA before the Wells Notice was discovered, Lorenzo's actions were consistent with the National Adjudicatory Council's ("NAC's") guidance for a finding of willfulness. The September Hearing Panel Decision found that Lorenzo acted willfully and was statutory disqualified pursuant to § 15 (b)(4)(A) of the Securities Exchange Act of 1934 ("Exchange Act").

16. The bar from association with any FINRA member in any capacity became effective immediately after both the June Hearing Panel Decision and the September Hearing Panel Decision.

VIOLATION OF THE HEIGHTENED SUPERVISORY AGREEMENT

17. The Bureau approved Lorenzo's agent registration with Charles Vista on April 29, 2009, contingent upon his signing a heightened supervisory agreement (the "Agreement") pursuant to N.J.A.C. 13:47A-3.1 (d). This agreement was signed by Lorenzo on April 29, 2009.

18. On April 29, 2009, Michael R. Molinaro (CRD # 2358346) ("Molinaro"), as President and Chief Compliance Officer of Charles Vista, signed the Agreement on behalf of Charles Vista and accepted supervisory responsibilities.

19. Paragraph number five (5) of the Agreement states, "In the event that Mr. Molinaro, or any other person approved by the New Jersey Bureau of Securities ("the Bureau") to supervise Lorenzo is, for any reason, no longer responsible for Lorenzo's supervision, [Charles Vista], LLC will submit the name and CRD number of another person to supervise Lorenzo for the Bureau's approval at least two (2) weeks in advance of the change when possible. If such appointment is not approved by the Bureau, [Charles Vista], LLC will submit the name of another person for the Bureau's approval or withdraw Lorenzo's registration in this state."

20. Paragraph number fourteen (14) of the Agreement states, "[Charles Vista], LLC and Lorenzo will have joint responsibility for notifying the Bureau of Securities of any new or updated customer complaint, civil or criminal action, regulatory action, arbitration or investigation instituted against Lorenzo within 10 business days of the occurrence."

21. Paragraph number fifteen (15) of the Agreement states, "[Charles Vista], LLC will conduct a monthly review of Lorenzo's securities activity. Such review shall be memorialized by a memo as to the nature of the review undertaken and any problems noted. The review reports will be maintained by the firm."

22. There were numerous violations of the Agreement, including:

a. At some date uncertain, Molinaro was no longer responsible for Lorenzo's supervision. Joseph Azure (CRD # 3258850) signed the monthly reports from January 2011 through September 2012. The last known supervisor was Thomas Riccoboni (CRD # 1948851) who began signing the monthly reports from December 2012. Charles Vista failed to disclose the supervisory changes and failed to receive the Bureau's approval for the subsequent supervisors after Molinaro as required by the Agreement.

b. Charles Vista and Lorenzo failed to notify the Bureau of several regulatory actions and investigations including a February 27, 2012 Wells Notice, an August 20, 2012 suspension by FINRA, a February 15, 2013 Cease and Desist Order by the SEC, and the June 18, 2013 bar by FINRA.

c. Charles Vista and Lorenzo failed to notify the Bureau of four customer complaints until after being requested by the Bureau.

d. Charles Vista and Lorenzo failed to notify the Bureau of an Idaho Consent Order signed on July 16, 2009 and three customer complaints until after the ten (10) business days as required in the Agreement.

23. The Agreement states that "[f]ailure to comply with this agreement shall be deemed to be a violation of N.J.A.C. 13:47A-14.16 which entitles the Bureau to impose sanctions."

LORENZO IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY ORGANIZATION BARRING HIM FROM ASSOCIATING WITH ANY MEMBER FIRM IN ANY CAPACITY
N.J.S.A. 49:3-58 (a)(1); N.J.S.A. 49:3-58 (a)(2)(vi)

24. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

25. Pursuant to N.J.S.A. 49:3-58 (a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant...(vi)...is the subject of an order of...the Securities and Exchange Commission, a self-regulatory organization...suspending or expelling him from a national securities or commodities exchange or national securities or commodities association...

26. Having been barred from association with any FINRA member firm in any capacity, Lorenzo has effectively been expelled from a national securities association. This is cause, pursuant to N.J.S.A. 49:3-58 (a)(2)(vi) to revoke Lorenzo's registration.

27. Based upon the foregoing, the revocation of Lorenzo's agent registration is in the public interest.

LORENZO ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND HAS WILLFULLY VIOLATED OF WILLFULLY FAILED TO COMPLY WITH THE UNIFORM SECURITIES LAW

N.J.S.A. 49:3-58 (a)(1); N.J.S.A. 49:3-58 (a)(2)(ii); N.J.S.A. 49:3-58 (a)(2)(vii)

28. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

29. Pursuant to N.J.S.A. 49:3-58 (a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant...(vii) has engaged in dishonest or unethical practices in the securities, commodities, banking, insurance or investment advisory business, as may be defined by rule of the bureau chief;

30. The foregoing conduct by Lorenzo as described above constitutes dishonest or unethical practices in the securities business and a willful violation or willful failure to comply with the Uniform Securities Act, which is good cause, pursuant to N.J.S.A. 49:3-58 (a)(2)(ii) and N.J.S.A. 49:3-58 (a)(2)(vii), to revoke Lorenzo agent registration. Further, it is in the public interest to revoke Lorenzo's registration, pursuant to N.J.S.A. 49:3-58 (a)(1).

LORENZO FAILED TO REPORT TO THE BUREAU CUSTOMER COMPLAINTS,
REGULATORY ACTIONS, AND CHANGES IN SUPERVISORS AS REQUIRED BY THE
HEIGHTENED SUPERVISORY AGREEMENT
N.J.A.C. 13:47A-3.1 (d); N.J.A.C. 13:47A-7.8; N.J.A.C. 13:47A-14.16; N.J.S.A. 49:3-70.1

31. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

32. As stated more fully above, Lorenzo and Charles Vista failed to report the SEC's investigation and regulatory actions, FINRA's investigation and regulatory actions, changes in supervision and failed to seek the approval of subsequent supervisors.

33. Lorenzo and Charles Vista also failed to disclose other disclosures until requested by the Bureau.

34. Thus N.J.A.C. 13:47A-3.1 (d), N.J.A.C. 13:47A-7.8; N.J.A.C. 13:47A-14.16 were violated, and the Bureau may assess civil monetary penalties under N.J.S.A. 49:3-70.1 for each of these violations.

CONCLUSION

For the reasons stated above, it is on this 28th DAY of October 2014 **ORDERED** that:

1. The agent registration of Gregg Charles Lorenzo be **REVOKED** pursuant to N.J.S.A. 49:3-58 (a)(1), N.J.S.A. 49:3-58 (a)(2)(vi), N.J.S.A. 49:3-58 (a)(2)(vii);

2. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56 (b), N.J.S.A. 49:3-56 (c), N.J.S.A. 49:3-56 (g) are hereby revoked;

3. Lorenzo is denied all exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraphs 9, 10 and 11 and subsection (b); and

4. Lorenzo is assessed a civil monetary penalty in the amount of \$15,000.00 which shall be paid to the Bureau within thirty (30) days of the execution of this order.

By: Laura Posner

Laura H. Posner
Bureau Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three-days notice, a written application to lift the summary revocation on written application of the registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall become a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.